Account Selling

- *What is the account's S.I.C. code?*
- *What is the plant's engineering structure and role in production selection?*
- *How many electricians, by shift, does the plant have? How many electrical foremen, by shift, are present?*
- *What are their names? What are their addresses or mail stop numbers?*
- *Can these foremen use the products they want?*
- *Who is the head of the electrical plant maintenance?*
- *Who reports to the head of electrical maintenance? To whom do the foremen report?*
- *Can store buyers change part numbers on their own? If not, who initiates the change and why would he/she make it?*
- *Who writes requisitions and are those sent to purchasing or to the store room?*
- *Which distributor does the account prefer to do business with? Why?*
- *Do you have a blanket or a systems contract with these distributors?*
- *What influences do local codes have on plant electrical installations?*
- *Are there any electrical contractors who are favored for plant expansions, major rework projects and machine setting contracts? If so, who are they?*
- *Do these contractors furnish time-and-material or labor only?*
- *If these contractors furnish time-and-material, who decides the brand of material to be used? Who influences that decision?*
- *Are you in contact with the electrical superintendent and/or the foremen on these jobs?*
- *Does this account build its own electrical panels? If not, who provides this service?*
- *Does this account have strong specifications? Who writes them?*
- *Does purchasing favor suppliers with an ISO 9000 program?*
- *Does this M.R.O. allow vendors to hold on-site product seminars?*
- *How are distributors or manufacturers being evaluated?*
- *What particular equipment problems do they have (i.e., heat, corrosion, moisture, vibration)?*

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Industrial M.R.O.
Market Profile

Thomas&Betts

Identifying Marketing Opportunities With Thomas & Betts' Support

Industrial M.R.O. Market Profile

Key Buying Influences

- **Engineering -** Responsible for specifications, establishing manufacturing standards for plant maintenance and often construction. Electrical engineering may be subcontracted out. However, most medium and large industrial accounts will have this person as a full-time employee.
- **Superintendent -** This position is usually found in medium-to-large M.R.O. accounts. In smaller accounts, the superintendent will be responsible for all maintenance activities. In larger accounts, this position may be responsible for a single trade. The superintendent will prepare budgets, schedule man-hours and coordinate activities with other trades.
- **Electrical Foreman -** This position influences product selection and is usually responsible for material and man-hour budgeting. This position's largest responsibility is reducing production downtime. Downtime and resulting overhead add substantial cost to the final per-unit cost of manufacturing.

Market Profile

Overview
The industrial M.R.O. market is an excellent customer for value-added product and concept selling. A distributor's margin performance is typically higher here than in other markets they sell. A participating manufacturer may hold on to a specification and subsequent market share because of the market's resistance to change, especially when a product has withstood the test of time, even at the sacrifice of a hot price. With downtime running into the thousands of dollars per minute, the M.R.O. will put product quality and service ahead of price. The only true cost of establishing a product or service with an M.R.O. is the persistence of the supplying company and its sales representatives to endure repeated calls with little or no initial payback.

General Information

- **Maintenance and Repair -** The upkeep and refurbishing of property and/or equipment.
- **Industrial -** Includes production facilities and warehouses.

Purchasing Profile

Overview
The purchasing function handles supplier negotiations, bid evaluation, supplier evaluations and contract awards within the industrial M.R.O. account. The function may be broken out into one of several areas as follows:

- **Regional Purchasing -** This group is totally removed from product and plant activity. Its responsibility is group plant procurement. This group's efforts are directed at trying to lower total material acquisition cost on a per-plant basis.
- **Maintenance Buyer -** In larger M.R.O. organizations, this person looks after day-to-day material purchasing. This person will usually purchase industrial, safety and electrical materials. The maintenance buyer will work closely with maintenance operations and will usually emphasize quality over price.
- **Storeroom or Cribs Buyer -** The storeroom buyer is usually found in medium-to-large M.R.O. accounts. Their responsibilities include keeping bread-and-butter supply items in stock, (i.e. valves, fittings, lugs, conduit, etc.). They are also the liaison between the plant and main office purchasing, and often, engineering. This position is also responsible for assigning intercompany stock-keeping units, which will refer to a manufacturer's catalog number or generic description.

Specific Types of Activity

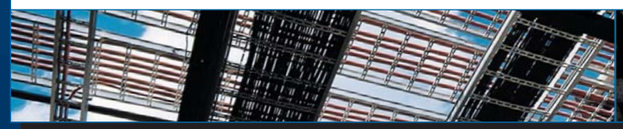
- New addition to an existing facility.
- Installation of new production equipment and machine setting/wiring.
- Upgrade in motors and machines.
- Change or addition to main feeders.
- Change or addition to incoming service equipment.
- Major change in distribution wiring.
- Interior lighting renovation and/or modernization.
- Construction of a new facility at a new location.
- Addition of standby or backup power and/or lighting equipment.
- Signal system change or addition.

Trends

- **Systems Contracting -** The M.R.O. is trying to reduce its vendor base, control material costs and maintain a lower inventory cost than its competitors. Systems contracting is a material and service contract between the M.R.O. and a few selected suppliers. Included in systems contracts are material pricing on specified manufacturers and commodities, the performance on service levels, and the quality of service. Most systems contracts include E.D.I. or information exchanged electronically.
- **Remodeling and Modernization -** Today most manufacturers are opting to use existing facilities for expansion or modernization instead of building new structures. The manufacturing environment will continue to maximize every square foot of available space rather than expand into a new structure.
- **Reemergence of Specification -** With the spotlight on total manufacturing costs, either the poor quality of a material or the associated workmanship purchased during an economic decline is quickly being identified and corrected through new specifications. Today's total quality environment is pinpointing production costs, even down to the level of an inferior terminal.
- **Labor Saving Products -** A decade ago, material accounted for approximately 45% of the cost of an installation. In the future, that number will decline to less than 39%. The focus will be on containing labor rates through labor-saving technology.
- **Rapidly Changing and Expanding Technology Systems -** The manufacturing environment of the future will require information to be processed between the factory floor and the office. Systems will require a functioning compatibility between voice, data and power wiring schemes. Electrical systems will also become more modular and use more fiber optic linking.
- **A World Market -** Today's electrical system may contain components from several foreign manufacturers. Systems will require global compatibility in terms of material performance, ease of installation and supply source. Worldwide standards will continue to emerge ensuring compatibility.
- **Industrial Sub-contracting -** More industrial M.R.O. work will continue to be awarded to outside contractors versus being done within the company's existing payroll. This is a continuing effort to lower the industrial company's per-unit production cost. The contractor's portfolio may include turnkey M.R.O. work, material management and/or systems integration. The contractor will have more influence over material and vendor selection.
- **Safety -** With the spotlight on rising heath care costs, M.R.O.'s can no longer take a passive role and assume safe working conditions exist.

Examples of M.R.O.s

- Steel Mills
- Mining Operations
- Refining Operations (i.e. chemical and petroleum products)
- Print Manufacturing (newspaper, phone books, etc.)
- Pulp and Paper Mills
- Automobile Manufacturing
- Food Processing
- Ammunition and Arms Manufacturing

Primary Product Offering

- Color-Keyed® Bolted and Compression Connectors
- E-Z-Code® Identification Products
- Hazlux® Lighting Fixtures
- Kindorf® and Superstrut® Metal Framing
- Ocal® PVC Coated Rigid Fittings and Conduit
- Russellstoll® Power Connectors
- Shamrock™ Tubular Products
- Sta-Kon® Terminals
- Star® Teck Jacketed Metal Clad Cable Connectors
- Steel City® Spring Steel Fasteners
- Superstrut® Metal Framing
- T&B Electricians' Supplies
- T&B Liquidtight Fittings and Portable Cord Fittings
- Ty-Rap® Fastening Products
- T&B Rigid Conduit Fittings (Hazardous and Non-Hazardous)
- T&B Cable Tray